

# **EXHIBIT “B”**

**CANAL INDEMNITY COMPANY**  
**P.O. BOX 7**  
**GREENVILLE, SOUTH CAROLINA 29602**

Policy No. GL20269

Renewal of No. New

Named Insured and Mailing Address

Producer No. and Address

WLS, Inc. DBA  
 S And H Mobile Homes  
 3404 Hwy 31 North  
 Clanton AL 35045

7802 PRECISION INS AND FIN CORP  
 2625 S BROADWAY  
 P O BOX 1224  
 SALEM IL 62881

Policy Period: From 1/26/2004 to 1/26/2005 12:01 A.M. Standard Time  
 at your mailing address shown above.

Description of your operations: See Coverage Part CIND-GL(11/97)

IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT OR AUDIT.

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 GARAGE COVERAGE PART

## PREMIUM

\$ 801.00

\$ Not Covered

\$ Not Covered

\$

\$

\$

\$

\$

\$

\$

Premium Tax \$	52.56	Policy Fee \$	75.00	\$	127.56
		<b>TOTAL</b>		\$	<b>928.56</b>

Form(s) and Endorsement(s) made a part of this policy at time of issue:  
 HEREBY CERTIFY THIS TO BE TRUE AND EXACT COPY POLICY

NUMBER

NOTARY

DATE

AUTHORIZED REPRESENTATIVE

Countersigned: 2/03/2004  
 A41

By:

Authorized Representative

THESE DECLARATIONS TOGETHER WITH COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

This contract is registered and delivered as a surplus  
 line coverage under the Alabama surplus line  
 insurance law.

"THIS POLICY CONTAINS AN ARBITRATION PROVISION"

CIND-MD (11/97)

General Agent

25-0474

## COMMERCIAL GENERAL LIABILITY COVERAGE PART 1 DECLARATIONS

POLICY NUMBER: GL20269

Effective 1/26/2004 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS

NAMED INSURED: WLS, Inc. DBA  
S And H Mobile Homes

## LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT	\$ 1,000,000.00
GENERAL AGGREGATE LIMIT	\$ 2,000,000.00
PRODUCTS COMPLETED OPERATIONS AGGREGATE LIMIT	\$ Excluded
PERSONAL AND ADVERTISING INJURY LIMIT	\$ 1,000,000.00
FIRE DAMAGE LIMIT	\$ 50,000.00
MEDICAL EXPENSE LIMIT	\$ 5,000.00

## FORM OF BUSINESS:

☐ INDIVIDUAL ☐ JOINT VENTURE ☐ PARTNERSHIP ☒ ORGANIZATION (Other than Partnership or Joint Venture)

 Location(s) (Including ZIP CODE) of All Premises you Own, Rent or Occupy  
 (Enter "SAME" if same location as your mailing address)

Same

 Your Interest in Such Premises: ☒ Owner ☐ Lessee ☐ Tenant ☐ Other

CLASSIFICATION	CODE NO.	* PREMIUM BASES	RATE		ADVANCE PREMIUM	
			PR/CO	ALL OTHER	PR/CO	ALL OTHER
Mobile Home Sales Lot - Excl. Products Completed Operations						
	540POX	(p) 50,000.00	Included	16.02	Included	801.00

TOTAL ADVANCE PREMIUM

801.00

\* (a)area-per 1000 sq. ft. (m)admissions-per 1000 (e)each (u)units (s)gross sales-per \$1000 (p)payroll-per \$1000 (c)total cost-per \$1000

## FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE A PART OF THIS POLICY AT TIME OF ISSUE:

 CG0300 (01/96), CGL1000 (10/93), CG0001 (01/96), CG2139 (10/93), CG2146 (07/98),  
 CG2147 (10/93), CG2160 (09/98), GL671 (08/96), TRN-1 11-2002, IL 00 03 04 1998,  
 CONST 05 03, GL0102 09-02, OPE5 (7/02), CG2161 (04/98), GL678 (09/93),  
 CG2144 (07/98), CG 22 94 10 01, CG2142 (01/96), .

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

#### SCHEDULE

Coverage	Amount and Basis of Deductible	
	PER CLAIM	OR PER OCCURRENCE
Bodily Injury Liability OR Property Damage Liability OR Bodily Injury Liability and/or Property Damage Liability Combined	250.00	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
  1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
    - a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
    - b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
    - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
      - (1) "Bodily injury";
      - (2) "Property damage"; or
      - (3) "Bodily injury" and "property damage" combined as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:
- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
  - b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
  - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
    - (1) "Bodily injury";
    - (2) "Property damage"; or
    - (3) "Bodily injury" and "property damage combined"

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

- C. The terms of this insurance, including those with respect to:
1. Our right and duty to defend the insured against any "suits" seeking those damages; and
  2. Your duties in the event of an "occurrence", claim, or "suit"
- apply irrespective of the application of the deductible amount.
- D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONSTRUCTION DEFECT EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**SECTION I - COVERAGES**

**COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**

Exclusion o is added to this policy.

**2. Exclusions**

This insurance does not apply to:

**o. Construction Defect**

"Property damage" to "your work" arising out of it or any part of it due to actual or alleged construction defect.

**Construction Defect includes but is not limited to:**

- (1) A defect in the design, construction, manufacturing, alteration, improvement, repair or landscaping of:
  - (a) a new residence or other new real property or a new appurtenance; or
  - (b) existing real estate or existing appurtenance, when the existing real estate or appurtenance is changed, altered, added to or improved.
- (2) Physical damage to the real estate, an appurtenance or the real property to which the appurtenance is affixed that is proximately caused by the construction defect.
- (3) **Construction Defect** as defined in any statute or ordinance of any governmental body.

POLICY NUMBER: GL20269

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - EXPLOSION, COLLAPSE AND  
UNDERGROUND PROPERTY DAMAGE HAZARD  
(SPECIFIED OPERATIONS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Location & Description  
of Operations**

Mobile Home Sales Lot - Excl.  
Products Completed Operations

**Excluded Hazard(s)**

Collapse  
Explosion  
Underground

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. The following exclusion is added to paragraph 2., Exclusions in Section I - Coverages:

This insurance does not apply to "property damage" included within the "explosion hazard," the "collapse hazard" or the "underground property damage hazard" if any of these hazards is entered as an excluded hazard on the Schedule.

This exclusion does not apply to:

- a. Operations performed for you by others; or
- b. "Property damage" included within the "products completed operations hazard:"

- B. The following definitions are added to the DEFINITIONS Section:

- 1. "Collapse hazard" includes "structural property damage" and any resulting "property damage" to any other property at any time.
- 2. "Explosion hazard" includes property damage arising out of blasting or explosion. The "explosion hazard" does not include "property damage" arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment.

3. "Structural property damage" means the collapse of or structural injury to any building or structure due to:

- a. Grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work; or
- b. Moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support of that building or structure.

4. "Underground property damage hazard" includes "underground property damage" and any resulting "property damage" to any other property at any time.

5. "Underground property damage" means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus used with them beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving.

**CANAL INDEMNITY COMPANY**  
**P.O. BOX 7**  
**GREENVILLE, SOUTH CAROLINA 29602**

Policy No. GL20269

Renewal of No. New

Named Insured and Mailing Address

Producer No. and Address

WLS, Inc. DBA  
 S And H Mobile Homes  
 3404 Hwy 31 North  
 Clanton AL 35045

7802 PRECISION INS AND FIN CORP  
 2625 S BROADWAY  
 P O BOX 1224  
 SALEM IL 62881

Policy Period: From 1/26/2004 to 1/26/2005 12:01 A.M. Standard Time  
 at your mailing address shown above.

Description of your operations: See Coverage Part CIND-GL(11/97)


IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT OR AUDIT.

				PREMIUM	
COMMERCIAL GENERAL LIABILITY COVERAGE PART				\$	801.00
COMMERCIAL PROPERTY COVERAGE PART				\$	Not Covered
GARAGE COVERAGE PART				\$	Not Covered
				\$	
				\$	
				\$	
				\$	
				\$	
				\$	
Premium Tax \$	52.56	Policy Fee \$	75.00	\$	127.56
			TOTAL	\$	928.56

Form(s) and Endorsement(s) made a part of this policy at time of issue:

Countersigned: 2/03/2004  
 A41

By:

  
 Authorized Representative

THESE DECLARATIONS TOGETHER WITH COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

This contract is registered and delivered as a surplus  
 line coverage under the Alabama surplus line  
 insurance law.



**"THIS POLICY CONTAINS AN ARBITRATION PROVISION"**



STATE OF ALABAMA  
DEPARTMENT OF INSURANCE

CERTIFICATE OF SURPLUS LINES BROKER

I certify that the policy of insurance described below was issued in accordance with the provisions of the Alabama Unauthorized Insurance Act, that the information set forth herein below is true in every respect, that the insurer is a qualified surplus lines insurer and that the policy referred to below was issued subject to the following conditions:

1. The full amount of insurance was not procurable, after a diligent effort had been made by me from insurers authorized to transact and actually transacting that kind and class of insurance in Alabama, or has been procured to the full extent such insurers were willing to insure.
2. Insurance was not procured solely for the purpose of securing advantages as to a lower premium rate than would be accepted by an authorized insurer or for a pecuniary advantage to the agent.
3. Insurance was placed in an unauthorized insurer with the full knowledge and consent of the insured.

NAME AND ADDRESS OF THE INSURED WLS, Inc. DBA S And H Mobile Homes  
3404 Hwy 31 North Clanton AL 35045

NAME AND ADDRESS OF UNAUTHORIZED COMPANY Canal Indemnity Company  
P O Box 7, Greenville South Carolina 29602

POLICY INCEPTION  
NUMBER GL20269 DATE 1/26/2004 TERM 1 Year

AMOUNT OF INSURANCE 1,000,000 PREMIUM 876.00 TAX 52.56

TYPE OF RISK AND COVERAGE (DESCRIBE FULLY) Mobile Home Sales Lot  
Premises Liability / Completed Operations

EFFORTS MADE BY YOU AS A BROKER TO OBTAIN INSURANCE FROM COMPANIES LICENSED IN ALABAMA AND ACTUALLY WRITING THAT KIND OF INSURANCE (DESCRIBE FULLY):

Dave Bishop, Travelers, P.O. Box 11586, Birmingham, AL 35202  
Keith Berry, Preferred Risk Mutual, 800-247-4199, X5281

(If additional space is required, use back of form.)

If business brokered to you by licensed Alabama agent, give name and address of agent.

PRECISION INS AND FIN CORP 2625 S BROADWAY P O BOX 1224 SALEM IL 62881

I certify that the above statements are true and correct to the best of my knowledge.

NAME Frank Joyner \_\_\_\_\_  
(Signature)

ADDRESS 2808 Winters Drive  
Tuscaloosa, Al 35404

"Section 20S. ACTION AGAINST INSURER SERVICE OF PROCESS"

- "(1) Any unauthorized insurer issuing a policy or assuming a direct insurance risk under this surplus law shall be deemed thereby to have appointed the Commissioner as its attorney upon whom may be served all lawful process in any action or proceeding against it in this state arising out of such insurance."
- "(2) Service of process upon the Commissioner as process agent of the insurer shall be made by the proper office of Montgomery County, by serving copies in triplicate of the process upon the Commissioner, or upon his assistant, deputy or other person in charge of his office. Upon receiving such service the Commissioner shall promptly forward a copy thereof by certified mail or registered mail to the person last designated to receive the same, as provided in subsection (3), below, return one copy with his admission of service, and retain one copy in the files of the department."
- "(3) Each such policy, or the certificate of insurance issued by the broker, shall contain a provision stating the substance of this section, and designating the person to whom the Commissioner shall mail process as provided for in subsection (2), above. The broker shall likewise file the name of such person with the Commissioner. As to the same unauthorized insurer and all insurance coverages issued or accepted by it under this surplus line law, no more than one person shall at any one time be the designee to whom copies of process against the insurer, served upon the Commissioner, shall be forwarded."
- "(4) Where process is served upon the Commissioner as an insurer's process agent, the insurer shall not be required to answer or plead except within thirty (30) days after the date upon which the Commissioner mailed a copy of the process served upon him as required by subsection (2), above."
- "(5) Process served upon the Commissioner, and copy thereof forwarded as in this section provided, shall for all purposes constitute valid and binding service thereof upon the insurer."

AGENT TO WHOM THE COMMISSIONER SHALL FORWARD SERVICE OF PROCESS

<u>Austill, Lewis &amp; Sims</u>	<u>2101 Highland Avenue South Birmingham, Al 35205</u>
Name	Address

<u>Bill Austill &amp; Joseph Stewart, Attorneys</u>
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Additional Comments:

CERTIFICATE OF SURPLUS LINE BROKER MUST BE MAILED TO DEPARTMENT OF INSURANCE, STATE OF ALABAMA, 36104, WITHIN THIRTY DAYS AFTER EFFECTIVE DATE OF COVERAGE.

CANAL

## EXCLUSION - INDEPENDENT CONTRACTORS

This endorsement modifies insurance under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", "personal injury", "advertising injury", or medical expense arising out of:

- A. The premises of any independent contractor; or
- B. The operations of any independent contractor for or on behalf of any insured.

**CANAL INDEMNITY COMPANY  
GREENVILLE, SOUTH CAROLINA**

**AMENDATORY ENDORSEMENT**

The following is added to FORM CGL 1000(10-93) - Common Policy Conditions

**H. Legal Action Against Us - Agreement for Binding Arbitration and Waiver of Jury Trial**

1. **Scope:** Any and all disputes, controversies or claims arising out of or relating to any transaction or the construction, performance, or breach of this or any other Agreement between any insured and the company, agent for the company, Strickland General Agency, Inc., and its affiliates, Premium Finance Company and Insurance Claims Management, Inc., their owners, shareholders, officers, agents, servants, or employees, whether entered into prior to, on , or subsequent to the inception date of this policy shall be determined by binding arbitration.
2. **The Terms of This Arbitration Agreement Control, Notwithstanding Any Contradictory Language In Other Documents:** This arbitration agreement is made a part of the policy. In the event that any of the terms or conditions of the policy, including endorsements, or any other documents, contradict any of the terms contained in this Arbitration Agreement, the parties agree that the terms of this Arbitration Agreement shall control.
3. **Questions concerning Arbitration Must Be Arbitrated:** The arbitrator shall determine any and all disputes, controversies or claims regarding whether an issue is arbitrable.
4. **Governing Law:** The parties agree and recognize that this Agreement, which includes the Application for Insurance, the Agreement for Binding Arbitration and Waiver of Jury Trial, the Premium Finance Agreement, and this insurance policy including its endorsements is made pursuant to a transaction in Interstate Commerce, and shall be governed by the Federal Arbitration Act at 9 U.S.C. Section 1.
5. **Waiver of Right to Jury Trial:** The parties understand that they have the right to have any and all disputes, controversies or claims between them decided in court, but they choose instead to have any and all such disputed, controversies or claims decided by arbitration in order to avoid the burden, expense and uncertainty of the judicial process. Consequently, the parties voluntarily and knowingly waive any right they have to a jury trial.
6. **Severability:** If the Arbitrator determines that one or more terms of this Provision or the arbitration rules are unenforceable, such determination shall not impair or affect the enforceability of the other provisions of the Arbitration Agreement or the arbitration rules.
7. **Application of Arbitration Clause and Resolution of Disputes:** Any arbitration shall be conducted in the largest city in the State with jurisdiction in accordance with the Arbitration Rules then in force by the American Arbitration Association. The arbitrator(s) shall follow the law and shall give effect to statutes of limitation and all other legal defenses in determining any and all disputes, controversies or claims between the parties. The parties understand and agree that the determining any and all disputes, controversies or claims between the parties. The parties understand and agree that the determining any and all powers provided by law and may award any legal or equitable relief, including, without limitation, money damages, declaratory relief, and injunctive relief: provided, however that the arbitrator shall have no power to award punitive damages or other damages not measured by the prevailing party's actual damages.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED - This endorsement is effective the same date and hour as shown in the Policy Declarations and forms a part of the policy to which it is attached.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
BUSINESSOWNERS POLICY  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. Effective November 26, 2002, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The portion of your annual premium that is attributable to coverage for acts of terrorism is: \$ waived.

## **ORGANIC PATHOGEN EXCLUSION**

This policy does not insure any loss, damage, claim, cost, expense, fine, penalty, or other sum either directly or indirectly arising out of, relating to, or caused by an organic pathogen.

This exclusion applies regardless of whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence to the existence of an organic pathogen; (iii) any loss of use, occupancy or functionality or decreased valuation of covered property or loss of business income; (iv) any action required, including but not limited to testing, repair, replacement, removal, cleanup, abatement, disposal, relocation, or actions taken to address medical or legal concerns; or (v) any suit or administrative proceeding or action involving the insured.

Organic pathogen means any organic irritant or contaminant, including but not limited to fungus, bacteria, virus, or other microorganism of any type, including but not limited to their byproducts such as spores or mycotoxin, or any hazardous substance as classified by the Environmental Protection Agency.

All other terms and conditions remain unchanged.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy, other than as above stated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
**EXCLUSION - DAMAGE TO WORK PERFORMED BY  
SUBCONTRACTORS ON YOUR BEHALF**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion I. of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**I. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - YEAR 2000 COMPUTER-RELATED AND  
OTHER ELECTRONIC PROBLEMS -  
PRODUCTS/COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,  
Exclusions of Section 1 - Bodily Injury and Prop-  
erty Damage Liability:

**2. Exclusions**

This insurance does not apply to "bodily injury" or  
"property damage" included in the "products-  
completed operations hazard" definition and aris-  
ing directly or indirectly out of:

a. Any actual or alleged failure, malfunction or  
inadequacy of:

(1) Any of the following, whether belonging to  
any insured or to others:

- (a) Computer hardware, including micro-  
processors;
- (b) Computer application software;
- (c) Computer operating systems and re-  
lated software;
- (d) Computer networks;

(e) Microprocessors (computer chips) not  
part of any computer system; or

(f) Any other computerized or electronic  
equipment or components; or

(2) Any other products, and any services, data  
or functions that directly or indirectly use or  
rely upon, in any manner, any of the items  
listed in Paragraph 2.a.(1) of this endorse-  
ment.

due to the inability to correctly recognize,  
process, distinguish, interpret or accept the  
year 2000 and beyond.

b. Any advice, consultation, design, evaluation,  
inspection, installation, maintenance, repair,  
replacement or supervision provided or done  
by you or for you to determine, rectify or test  
for, any potential or actual problems described  
in Paragraph 2.a. of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION - YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,  
**Exclusions of Section 1 - Coverage A - Bodily Injury  
and Property Damage Liability and Paragraph 2.,  
Exclusions of Section 1 - Coverage B - Personal and  
Advertising Injury Liability.**

#### 2. Exclusions

This insurance does not apply to "bodily injury",  
"property damage", "personal injury" or  
"advertising injury" (or "personal and advertising  
injury" if defined as such in your policy) arising  
directly or indirectly out of:

- a. Any actual or alleged failure, malfunction or  
inadequacy of:
  - (1) Any of the following, whether belonging to  
any insured or to others:
    - (a) Computer hardware, including micro-  
processors;
    - (b) Computer application software;
    - (c) Computer operating systems and re-  
lated software;

- (d) Computer networks;
- (e) Microprocessors (computer chips) not  
part of any computer system; or
- (f) Any other computerized or electronic  
equipment or components; or
- (2) Any other products, and any services, data  
or functions that directly or indirectly use or  
rely upon, in any manner, any of the items  
listed in Paragraph 2.a.(1) of this endorse-  
ment.

due to the inability to correctly recognize,  
process, distinguish, interpret or accept the  
year 2000 and beyond.

- b. Any advice, consultation, design, evaluation,  
inspection, installation, maintenance, repair,  
replacement or supervision provided or done  
by you or for you to determine, rectify or test  
for, any potential or actual problems described  
in Paragraph 2.a. of this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):**

This insurance does not apply to:

"Personal injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

#### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,  
**Exclusions of Section 1 - Coverage A - Bodily Injury  
and Property Damage Liability** and Paragraph 2.,  
**Exclusions of Section 1 - Coverage B - Personal and  
Advertising Injury Liability:**

This insurance does not apply to "bodily injury",  
"property damage" or "personal and advertising injury"  
arising out of:

1. The actual or threatened abuse or molestation by  
anyone of any person in the care, custody or  
control of any insured, or

2. The negligent:
  - a. Employment;
  - b. Investigation;
  - c. Supervision,
  - d. Reporting to the proper authorities, or failure  
to so report; or
  - e. Retention;

of a person for whom any insured is or ever was  
legally responsible and whose conduct would be  
excluded by Paragraph 1. above.

CANAL

**SPECIAL EXCLUSION ENDORSEMENT****EXCLUSION - ASBESTOS, SILICA DUST**

This insurance does not apply to any damages arising out of the following diseases:

- A. Asbestosis
- B. Silicosis
- C. Mesothelioma
- D. Emphysema
- E. Pneumoconiosis
- F. Pulmonary Fibrosis
- G. Pleuritis
- H. Endothelioma

or any lung disease or any ailment caused by, or aggravated by, exposure, inhalation, consumption or absorption of asbestos fibers or dust or silica dust.

This insurance does not apply to any:

- A. "Property damage" due to, or arising out of, the actual or alleged presence of asbestos or silica dust in any form, including the costs of remedial investigations or feasibility studies, or to the costs of testing, monitoring, cleaning or removal of any property or substance;
- B. Damages arising out of any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; or
- C. Obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

**EXCLUSION - POLLUTION - TOTAL**

It is agreed that this insurance does not apply to:

- 1. "Bodily injury", property damage", "personal injury", "advertising injury", or medical expense which would not have occurred in whole or part but for the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of pollutants, irritants, or hazardous substances at any time.

Paragraph 1 does not apply to "bodily injury" or "property damage" caused by smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- 2. Any loss, cost, or expense arising out of any:
  - a. Request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemical, and waste. In addition to pollutants to be disposed of, waste also includes materials to be recycled, reconditioned, or reclaimed.

This endorsement replaces any existing terms and/or exclusions regarding pollution liability within this policy.

**EXCLUSION - ENVIRONMENTAL TOBACCO SMOKE**

This insurance does not apply to any damages arising out of the following diseases caused or aggravated by Environmental Tobacco Smoke: ASTHMA, BRONCHITIS, PNEUMONIA, EMPHYSEMA, ALLERGIES, MIDDLE EAR INFECTIONS, HEART CONDITIONS, CANCER, LUNG CANCER, or any other disease or ailment caused or aggravated by exposure inhalation, consumption, or absorption of tobacco smoke.

**EXCLUSION - NEW ENTITIES \***

Part 4 of WHO IS AN INSURED (Section II) does not apply.

**LIMITATION - CLASSIFICATION**

This insurance applies to "bodily injury", "property damage", "personal injury", "advertising injury" or medical expense arising out of only those operations which are classified and shown on the Commercial General Liability Coverage Declarations, its endorsements, and supplements.

**AMENDMENT - DEPOSIT PREMIUM AND MINIMUM PREMIUM**

Paragraph b. of Commercial General Liability Condition 5. Premium Audit is replaced by the following:

Premium shown in this Coverage Part as advance premium is both a deposit premium and a minimum premium for the full policy term. At the close of each audit period, we will compute the earned premium for that period. If the earned premium is more than the advance premium, then the amount by which it exceeds the advance premium is due and payable on notice to the first Named Insured. If the earned premium is less than the advance premium, the advance premium will apply as the minimum premium, with no return premium payable to you.

**EXCLUSION - PUNITIVE OR EXEMPLARY DAMAGES**

This insurance does not apply to punitive or exemplary damages.

**EXCLUSION - LEAD - HAZARDOUS PROPERTIES**

This insurance does not apply to any loss, cost or expense arising out of, resulting from, caused by or contributed to by lead provided that such loss, cost or expense results from or is contributed to by the hazardous properties of lead. This exclusion includes, but is not limited to, any costs for abatement, mitigation, removal or disposal of paint, plumbing solder, pipes and fixtures, soil or other items containing lead.

This exclusion also includes, but is not limited to:

- (i) Any supervision, instructions, recommendations, requests, warnings or advice given or should have been given in connection with the above; and
- (ii) Any obligation to share damages with or repay someone else who must pay damages in connection with the above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CONTRACTUAL LIABILITY LIMITATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the DEFINITIONS Section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

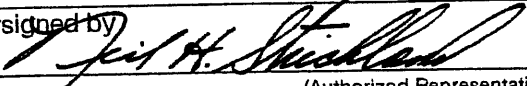
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**LIMITATION OF COVERAGE TO DESIGNATED  
PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 1/26/2004	12:01 A.M. standard time	Policy No. GL20269
Named Insured WLS, Inc. DBA S And H Mobile Homes		Countersigned by  (Authorized Representative)

**SCHEDULE**

<b>Premises:</b>
<b>Project:</b>

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.



**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

**SECTION I - COVERAGES****COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**2. Exclusions**

This insurance does not apply to:

**a. Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers Compensation and Similar Laws**

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
  - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
  - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraph (d)(i) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**g. Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

**j. Damage to Property**

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage to Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage to Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage to Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

**COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

**2. Exclusions**

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;

- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
  - (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
  - (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or
  - (5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- b. "Advertising injury" arising out of:
- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
  - (2) The failure of goods, products or services to conform with advertised quality or performance;
  - (3) The wrong description of the price of goods, products or services; or
  - (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.
- c. Any loss, cost or expense arising out of any:
- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

## **COVERAGE C. MEDICAL PAYMENTS**

### **1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;

- (2) On ways next to premises you own or rent; or
- (3) Because of your operations; provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### **2. Exclusions**

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.



**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages), such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

## SECTION II - WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

### 2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

#### (1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

#### (2) "Property damage" to property:

- (a) Owned, occupied or used by.
  - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
  - b. Any person (other than your "employee"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- ### 3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
  - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
- ### 4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.



c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

**b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V - DEFINITIONS**

1. "Advertising injury" means injury arising out of one or more of the following offenses:
  - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or

- (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
- (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
- 8. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

  - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
- 9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 10. "Loading or unloading" means the handling of property:
  - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

13. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;

d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

e. Oral or written publication of material that violates a person's right of privacy.

14. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
    - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.
15. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
16. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
17. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
18. "Your product" means:
- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (1) You;
    - (2) Others trading under your name; or
    - (3) A person or organization whose business or assets you have acquired; and
  - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- "Your product" includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - b. The providing of or failure to provide warnings or instructions.
- "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.
19. "Your work" means:
- a. Work or operations performed by you or on your behalf; and
  - b. Materials, parts or equipment furnished in connection with such work or operations.
- "Your work" includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
  - b. The providing of or failure to provide warnings or instructions.



**GREENVILLE, SOUTH CAROLINA 29602****COMMON POLICY CONDITIONS**

All Coverages included in this policy are subject to the following conditions.

**A. CANCELLATION**

1. You may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to you written notice of cancellation at least 10 days before the effective date of cancellation.
3. We will mail or deliver our notice to your last mailing address known by us.
4. Our notice of cancellation will state the effective date of cancellation. Your coverage will end on that date.
5. If we cancel, the refund or premium will be pro-rata. If you cancel, the refund will be in accordance with the short rate cancellation table. Cancellation will be effective even if we have not made or offered a refund. Cancellation or non-payment of premium shall be considered cancellation at your request.
6. Proof of mailing will be sufficient proof of notice.

**B. CHANGES**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. The policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**C. EXAMINATION OF YOUR BOOKS AND RECORDS**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

**D. INSPECTIONS AND SURVEYS**

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, reports or recommendations.

**E. PREMIUMS**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**G. SERVICE OF SUIT**

It is agreed that in the event of the failure of us to pay any amount claimed to be due hereunder, we, at your request, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practices of such court.

It is further agreed that service of process in such suit may be made upon our President or his nominee, at 400 E. Stone Avenue, Greenville, South Carolina 29601, and that in any suit instituted against any one of them upon this policy we will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above named is authorized and directed to accept service of process on our behalf in any suit upon your written request to provide you with a written acknowledgment that we will enter a general appearance upon our behalf in the event such suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefor, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

In witness Whereof, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative for us.



Secretary



When used as a premium base:

**"Area"** means:

The total number of square feet of floor space at the insured premises, computed as follows:

1. For entire buildings, by multiplying the product of the horizontal dimensions of the outside of the outer building walls by the number of floors, including basements but do not use the area of the following:
  - a. Courts and mezzanine types of floor openings.
  - b. Portions of basements or floors where 50% or more of the area is used for shop or storage for building maintenance, dwelling by building maintenance employees, heating units, power plants or air-conditioning equipment.
2. For tenants, determine the area they occupy in the same manner as for the entire buildings.
3. The rates apply per 1,000 square feet of area.

**"Total Cost"** means:

The total cost of all work let or sublet in connection with each specific project including:

1. The total cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work; and
2. All fees, bonuses or commissions made, paid or due.
3. The rates apply per \$1,000 of total cost.

**"Admissions"** means:

The total number of persons, other than employees or the named insured, admitted to the event insured or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

The rates apply per 1,000 admissions.

**"Payroll"** means:

1. Remuneration which includes money or substitutes for money.
2. Payroll includes:
  - a. Commissions, bonuses, pay for holidays, vacations or periods of illness;
  - b. Extra pay for overtime in accordance with the manuals in use by us;
  - c. Payments by an employer or amounts otherwise required by law to be paid by employees to statutory insurance or pension plans, such as the Federal Social Security Act;
  - d. Payment to employees on any basis other than time worked, such as piece work, profit sharing or incentive plans;
  - e. Payment or allowance for hand tools or power tools used by hand provided by employees and used in their work or operations for the insured;
  - f. The rental value of an apartment or a house provided for an employee based on comparable accommodations;
  - g. Value of meals and lodging other than an apartment or house received by employees as part of their pay;
  - h. The value of store certificates, merchandise, credits or any other substitute for money received by employees as part of their pay;
  - i. The payroll of mobile equipment operators and their helpers, whether or not the operators are designated or licensed to operate automobiles. If the operators and their helpers are provided to the insured along with equipment hired under contract and their actual payroll is not known, use 1/3 of the total amount paid out by the insured for the hire of the equipment;
  - j. The payroll of executive officers and individual insureds and co-partners in accordance with the manuals in use by us;

k. Fees paid to employment agencies for temporary personnel provided to the insured.

3. Payroll does not include:

- a. Tips and other gratuities received by employees;
- b. Payments by an employer to group insurance or group pension plans for employees in accordance with the manuals in use by us;
- c. The value of special rewards for individual invention or discovery;
- d. Dismissal or severance payments except for time worked or accrued vacation;
- e. The payroll of clerical office employees;
- f. The payroll of salesmen, collectors or messengers who work principally away from the insured's premises. Salesmen, collectors or messengers are those employees engaged principally in any such duties away from the premises of the employer.

**Exception:** This term does not apply to any employee whose duties include the delivery of any merchandise handled, treated or sold.

- g. The payroll of drivers and their helpers if their principal duties are to work on or in connection with automobiles.
- h. The payroll of aircraft pilots or co-pilots if their principal duties are to work on or in connection with aircraft in either capacity.

4. The rates apply per \$1,000 of payroll.

**"Gross Sales"** means:

1. The gross amount charged by the named insured, concessionaires of the named insured or by others trading under the insured's name for:

- a. All goods or products, sold or distributed;
- b. Operations performed during the policy period;
- c. Rentals.

2. Inclusions

The following items shall not be deducted from gross sales:

- a. Foreign exchange discounts;
- b. Freight allowance to customers;
- c. Total sales of consigned goods and warehouse receipts;
- d. Trade or cash discounts;
- e. Bad debts; and
- f. Repossession of items sold on installments (amount actually collected).

3. Exclusions

The following items shall be deducted from gross sales:

- a. Sales or excise taxes which are collected and submitted to a governmental division;
- b. Credits for repossessed merchandise and products returned. Allowances for damaged and spoiled goods;
- c. Finance charged for items sold on installments;
- d. Freight charges on sales if freight is charged as a separate item on customers invoice; and
- e. Royalty income from patent rights or copyrights which are not product sales.

4. The rates apply per \$1,000 of gross sales.

**"Units"** means:

A single room or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together, or by a person living alone.

The rates apply per each unit.

This endorsement modifies insurance provided under this policy:

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury", "property damage", "personal injury", or "advertising injury":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material," if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means "source material," "special nuclear material" or "by-product material";

"source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction of concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property damage" includes all forms of radioactive contamination of property.



POLICY NUMBER: GL20269  
 Effective 1/26/2004 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS  
 NAMED INSURED: WLS, Inc. DBA  
 S And H Mobile Homes

**LIMITS OF INSURANCE**

EACH OCCURRENCE LIMIT	\$ 1,000,000.00
GENERAL AGGREGATE LIMIT	\$ 2,000,000.00
PRODUCTS COMPLETED OPERATIONS AGGREGATE LIMIT	\$ Excluded
PERSONAL AND ADVERTISING INJURY LIMIT	\$ 1,000,000.00
FIRE DAMAGE LIMIT	\$ 50,000.00
MEDICAL EXPENSE LIMIT	\$ 5,000.00

**FORM OF BUSINESS:**

☐ INDIVIDUAL ☐ JOINT VENTURE ☐ PARTNERSHIP ☒ ORGANIZATION (Other than Partnership or Joint Venture)

Location(s) (Including ZIP CODE) of All Premises you Own, Rent or Occupy  
 (Enter "SAME" if same location as your mailing address)

Same

Your Interest in Such Premises: ☒ Owner ☐ Lessee ☐ Tenant ☐ Other

CLASSIFICATION	CODE NO.	* PREMIUM BASES	RATE		ADVANCE PREMIUM	
			PR/CO	ALL OTHER	PR/CO	ALL OTHER
Mobile Home Sales Lot - Excl. Products Completed Operations						
	540POX	(p) 50,000.00	Included	16.02	Included	801.00

TOTAL ADVANCE PREMIUM

801.00

\* (a)area-per 1000 sq. ft. (m)admissions-per 1000 (e)each (u)units (s)gross sales-per \$1000 (p)payroll-per \$1000 (c)total cost-per \$1000

**FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE A PART OF THIS POLICY AT TIME OF ISSUE:**

CG0300 (10/96), CGL1000 (10/93), CG0001 (01/96), CG2139 (10/93), CG2146 (07/98),  
 CG2147 (10/93), CG2160 (09/98), GL671 (08/96), TRN-1 11-2002, IL 00 03 04 1998,  
 CONST 05 03, GL0102 09-02, OPE5 (7/02), CG2161 (04/98), GL678 (09/93),  
 CG2144 (07/98), CG 22 94 10 01, CG2142 (01/96), .

AO 399 (Rev. 10/95)

## WAIVER OF SERVICE OF SUMMONS

TO: \_\_\_\_\_  
(NAME OF PLAINTIFF'S ATTORNEY OR UNREPRESENTED PLAINTIFF)

I, \_\_\_\_\_, acknowledge receipt of your request  
(DEFENDANT NAME)

that I waive service of summons in the action of \_\_\_\_\_,  
(CAPTION OF ACTION)

which is case number \_\_\_\_\_ in the United States District Court  
(DOCKET NUMBER)

for the \_\_\_\_\_ MIDDLE District of \_\_\_\_\_ ALABAMA

I have also received a copy of the complaint in the action, two copies of this instrument, and a means by which I can return the signed waiver to you without cost to me.

I agree to save the cost of service of a summons and an additional copy of the complaint in this lawsuit by not requiring that I (or the entity on whose behalf I am acting) be served with judicial process in the manner provided by Rule 4.

I (or the entity on whose behalf I am acting) will retain all defenses or objections to the lawsuit or to the jurisdiction or venue of the court except for objections based on a defect in the summons or in the service of the summons.

I understand that a judgment may be entered against me (or the party on whose behalf I am acting) if an

answer or motion under Rule 12 is not served upon you within 60 days  
after \_\_\_\_\_,  
(DATE REQUEST WAS SENT)

or within 90 days after that date if the request was sent outside the United States.

\_\_\_\_\_  
(DATE) (SIGNATURE)

Printed/Typed Name: \_\_\_\_\_

As \_\_\_\_\_ of \_\_\_\_\_  
(TITLE) (CORPORATE DEFENDANT)

### Duty to Avoid Unnecessary Costs of Service of Summons

Rule 4 of the Federal Rules of Civil Procedure requires certain parties to cooperate in saving unnecessary costs of service of the summons and complaint. A defendant located in the United States who, after being notified of an action and asked by a plaintiff located in the United States to waive service of summons, fails to do so will be required to bear the cost of such service unless good cause be shown for its failure to sign and return the waiver.

It is not good cause for a failure to waive service that a party believes that the complaint is unfounded, or that the action has been brought in an improper place or in a court that lacks jurisdiction over the subject matter of the action or over its person or property. A party who waives service of the summons retains all defenses and objections (except any relating to the summons or to the service of the summons), and may later object to the jurisdiction of the court or to the place where the action has been brought.

A defendant who waives service must within the time specified on the waiver form serve on the plaintiff's attorney (or unrepresented plaintiff) a response to the complaint and must also file a signed copy of the response with the court. If the answer or motion is not served within this time, a default judgment may be taken against that defendant. By waiving service, a defendant is allowed more time to answer than if the summons had been actually served when the request for waiver of service was received.

AO 398 (Rev. 12/93)

**NOTICE OF LAWSUIT AND REQUEST FOR  
WAIVER OF SERVICE OF SUMMONS**

TO: (A) \_\_\_\_\_

as (B) \_\_\_\_\_ of (C) \_\_\_\_\_

A lawsuit has been commenced against you (or the entity on whose behalf you are addressed). A copy of the complaint is attached to this notice. It has been filed in the United States District Court for the (D) MIDDLE District of ALABAMA and has been assigned docket number (E) \_\_\_\_\_.

This is not a formal summons or notification from the court, but rather my request that you sign and return the enclosed waiver of service in order to save the cost of serving you with a judicial summons and an additional copy of the complaint. The cost of service will be avoided if I receive a signed copy of the waiver within (F) \_\_\_\_\_ days after the date designated below as the date on which this Notice and Request is sent. I enclose a stamped and addressed envelope (or other means of cost-free return) for your use. An extra copy of the waiver is also attached for your records.

If you comply with this request and return the signed waiver, it will be filed with the court and no summons will be served on you. The action will then proceed as if you had been served on the date the waiver is filed, except that you will not be obligated to answer the complaint before 60 days from the date designated below as the date on which this notice is sent (or before 90 days from that date if your address is not in any judicial district of the United States).

If you do not return the signed waiver within the time indicated, I will take appropriate steps to effect formal service in a manner authorized by the Federal Rules of Civil Procedure and will then, to the extent authorized by those Rules, ask the court to require you (or the party on whose behalf you are addressed) to pay the full costs of such service. In that connection, please read the statement concerning the duty of parties to waive the service of the summons, which is set forth at the foot of the waiver form.

I affirm that this request is being sent to you on behalf of the plaintiff, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature of Plaintiff's Attorney  
or Unrepresented Plaintiff

A—Name of individual defendant (or name of officer or agent of corporate defendant)

B—Title, or other relationship of individual to corporate defendant

C—Name of corporate defendant, if any

D—District

E—Docket number of action

F—Addressee must be given at least 30 days (60 days if located in foreign country) in which to return waiver